



U.S. Department
Of Transportation

**Federal Motor Carrier
Safety Administration**

Memorandum

Subject: **ACTION: USDOT Number Requirement Policy**
(MC-RS-2019-0001)

Date: September 12, 2019

From: Kenneth H. Riddle
Director, Office of Registration and Safety Information

Reply to
Attn. of: MC-RS

Thru: Kelly Regal
Associate Administrator for Office of
Research and Information Technology

To: FMCSA Staff
State Motor Carrier Safety Partners
Contractors Overseeing USDOT Number Registration Activities

PURPOSE

The purpose of this policy is to provide guidance on when a new U.S. Department of Transportation (USDOT) number is or is not required following motor carrier ownership, form of business or operational changes. In general, each separate and distinct person must have separate registration and a separate USDOT number¹. A person includes an individual (sole proprietor), partnership, corporation or other business organization as authorized by state law. This policy provides information on USDOT number requirements only and should be used in conjunction with the policies issued by the Federal Motor Carrier Safety Administration's (FMCSA) Office of Enforcement and Compliance, including Reincarnated Carrier policy under the Patterns of Safety Violation Rule issued December 2, 2014 (MC-ECE-2014-0005), and Record Consolidation Orders under 49 C.F.R. 386.73(b) issued August 29, 2012 (MC-ECE-2012-008). This policy rescinds and replaces all other previous policies and guidance statements, which assert, as a primary purpose, to define when a new USDOT number is required.

BACKGROUND

The Office of Registration and Safety Information (MC-RS) is often asked whether a new USDOT number is required when a motor carrier sells equipment, goes out of business, changes ownership, undergoes a merger, changes its name or otherwise changes its form of business or operational structure. Currently, there is limited guidance to FMCSA staff and the public providing direction for what must be done when these situations arise. This policy seeks to address each circumstance, provide clarification, and uniformity.

¹ Both a USDOT number and registration are required by statute and regulation. 49 U.S.C. 31134, 49 U.S.C. 13902, 49 C.F.R. 390.19T and 390.200T. FMCSA has not, yet, implemented the unique safety registration required by 49 U.S.C. 31134. The requirement for a separate and distinct USDOT number pre-existed, by regulation and policy, enactment of the registration provisions currently codified in 49 U.S.C. 31134.

POLICY

The FMCSA's policy is to assign a unique USDOT identification number to each person required to identify itself with FMCSA under 49 U.S.C. 13902, 31134 and 49 C.F.R. 390.19T or 390.200T. USDOT numbers are not transferable and are assigned to only one person and remain assigned to that person forever. For the purposes of USDOT number assignment, operating authority registration, and, in the future, safety registration, a person includes any person as recognized by law including an individual (sole proprietor), corporation, partnership, or other business organization as authorized under specific state law.

Below are scenarios that address circumstances where a new USDOT number may be required.

GUIDANCE

Ownership Change

For corporations, partnerships and other business organizations, the USDOT number will remain the same when there is a change in company officials, address or other demographic information, and the corporation, partnership, or other business organization will continue operations as the same legal person/entity. In case of a change in demographic information, the motor carrier is required to file an updated Form MCS-150, Motor Carrier Identification Report within 30 days of the change. A new USDOT number will be required if there is a change in the legal person/entity and, as a result of the transaction, there is a change in company officials, address or other demographic information.

Sole proprietors may not change ownership. The registered person is an individual and, therefore, not subject to an ownership change. Instead, changes in ownership for sole proprietors are actually asset sales (see below).

Mergers and Acquisitions

Mergers and acquisitions are a form of a total or controlling interest ownership change. When a corporation or partnership is acquired or merged into a new corporation or partnership that never registered with FMCSA before the transaction, new registration including a new USDOT number is required. The new corporation is required to disclose its affiliation with the acquired motor carrier at the time of registration. FMCSA should pursue a voluntary consolidation of safety records in such transactions.

If the original corporation will be dissolved and cease motor carrier operations under its original identity as a result of the business transaction, the entity is required to file an updated Form MCS-150 and select "Out of Business Notification" to notify FMCSA that the company is no longer operating.

If, as a result of the merger one of the original motor carriers will survive the transaction and will continue motor carrier operations, no new registration or USDOT number is required. As with other ownership changes if there is a change in company officials, address or other demographic information as a result of the transaction, the motor carrier is required to file an updated Form MCS-150 within 30 days of the change.

Asset sales

For sole proprietors who sell their company assets to another sole proprietor or other business organization, a new USDOT number will be required by the purchaser. A purchaser is not allowed or permitted to maintain the USDOT number when purchasing a sole proprietor's assets. If the

purchaser is also required to obtain operating authority registration, it must disclose the relationship with the operation being purchased when applying for its new USDOT and Motor Carrier (MC) Docket number. If it is more than a single operator carrier, we will likely want a voluntary record consolidation and an out of business filing from the seller. If the sole proprietor holds operating authority registration and the operation will continue to operate virtually the same (absent the ownership change), this may be recorded as a transfer consistent with the transfer regulations in 49 C.F.R. Part 365. The same transfer process would apply if a motor carrier initially obtained operating authority registration as a sole proprietor and later decided to incorporate.

When a partnership, corporation, or other business organization sells its equipment to a motor carrier with an existing registration, no new USDOT number is required. The seller should file an updated Form MCS-150 and select “Out of Business Notification” to inactivate its USDOT number if it will no longer operate as a motor carrier. If the seller elects to resume or continue motor carrier operations, it can re-activate its USDOT number using the Form MCS-150 through the FMCSA Portal with its Personal Identification Number (PIN).

If the acquiring entity is not registered with FMCSA before the asset sale, the new motor carrier will be required to apply for registration and a USDOT number, as required for its operations.

Form of Business Change

If a registered entity changes its current form of business to another form of business; for example, sole proprietorship to partnership, partnership to corporation, etc., a new USDOT number will usually be required because the business has become a new legal person/entity. In these cases, disclosure of the affiliation with the original motor carrier and a record consolidation would be appropriate.

If when a business organization (e.g., partnership, LLC, corporation, etc.) changes business form, the motor carrier provides evidence that the entity is recognized as a continuation of the original entity under state law, no new USDOT number should be required. But the submission from the motor carrier should be uploaded to the Electronic Document Management System (EDMS) before the name change is recorded in the Motor Carrier Management Information System (MCMIS). This functionality will be provided upon implementation of a new Unified Registration System.

Name Change

A change in legal name of a legal person/entity does not require a new USDOT number unless the change in name is accompanied with a change in form of business. If a motor carrier is merely changing or adding a “Doing Business As” (DBA) name, those changes only require an updated Form MCS-150 to include the new DBA name, and any other DBA name used by the motor carrier. When recording a legal name change, evidence of the legal change of name should be uploaded into EDMS before the name change is recorded in MCMIS. This functionality will be provided upon implementation of a new Unified Registration System.

IMPLEMENTATION DATE

This policy is effective immediately.

Should you have any questions or need additional information on this policy, please contact Jeffrey L. Secrist, Chief, Registration, Licensing and Insurance Division at (202) 385-2367 or by e-mail at jeff.sechrist@dot.gov